



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1307/2
FFK:kjf:rs

DOA:.....Hynek, BB0417 - Consolidation aid

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

EDUCATION

PRIMARY AND SECONDARY EDUCATION

Under current law, a school district that is created as the result of consolidation is eligible to receive two types of additional state aid during the five school years following the consolidation. The first type of additional state aid is an increased amount of equalization aid that is the result of a 15 percent increase that is applied to the consolidated school district's shared cost and guaranteed valuation, which are two of the factors used to determine the district's equalization aid. The second type of additional state aid that a consolidated school district may receive is special adjustment aid in an amount necessary to ensure that the consolidated school district's general aid is at least equal to the total amount of general aid that the districts that were consolidated to create the district received in the school year before the consolidation took effect (underlying district aid). This bill extends the period during which a consolidated school district may receive these two types of additional aid to seven years following the consolidation and makes the following changes during the extension period:

1. For the sixth school year following the consolidation, a 10 percent increase is applied to the consolidated school district's shared cost and guaranteed valuation factors for purposes of determining equalization aid and the consolidated school district may receive special adjustment aid to guarantee that the school district receives at least 66 percent of the underlying district aid.

2. In the seventh year following the consolidation, a 5 percent increase is applied to the consolidated school district's shared cost and guaranteed valuation factors for purposes of determining equalization aid and the consolidated school district may receive special adjustment aid to guarantee that the school district receives at least 33 percent of the underlying district aid.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 121.07 (6) (e) 1. of the statutes is amended to read:

121.07 (6) (e) 1. For a school district created by a consolidation under s. 117.08 or 117.09, in the school year in which the consolidation takes effect and in each of the subsequent 4 school years, the amounts under pars. (b) and (d) shall be multiplied by 1.15 and rounded to the next lowest dollar. In the 5th school year following the school year in which the consolidation took effect, the amounts under pars. (b) and (d) shall be multiplied by 1.10 and rounded to the next lower dollar. In the 6th school year following the school year in which the consolidation took effect, the amounts under pars. (b) and (d) shall be multiplied by 1.05 and rounded to the next lower dollar.

SECTION 2. 121.07 (7) (e) 1. of the statutes is amended to read:

121.07 (7) (e) 1. For a school district created by a consolidation under s. 117.08 or 117.09, in the school year in which the consolidation takes effect and in each of the subsequent 4 school years, the amounts under pars. (a) to (bm) shall be multiplied by 1.15 and rounded to the next lower dollar. In the 5th school year following the school year in which the consolidation took effect, the amounts under pars. (a) to (bm) shall be multiplied by 1.10 and rounded to the next lower dollar. In the 6th school year following the school year in which the consolidation took effect, the amounts

under pars. (a) to (bm) shall be multiplied by 1.05 and rounded to the next lower dollar.

SECTION 3. 121.105 (3) of the statutes is amended to read:

121.105 (3) In the school year in which a school district consolidation takes effect under s. 117.08 or 117.09 and in each of the subsequent 4 school years, the consolidated school district's state aid shall be an amount that is not less than the aggregate state aid to which the consolidating school districts were eligible in the school year prior to the school year in which the consolidation takes effect. In the 5th school year following the school year in which the consolidation took effect, the consolidated school district's state aid shall be an amount that is not less than 66 percent of the aggregate state aid to which the consolidating school districts were eligible in the school year prior to the school year in which the consolidation took effect. In the 6th school year following the school year in which the consolidation took effect, the consolidated school district's state aid shall be an amount that is not less than 33 percent of the aggregate state aid to which the consolidating school districts were eligible in the school year prior to the school year in which the consolidation took effect. The additional state aid shall be paid from the appropriation under s. 20.255 (2) (ac).

SECTION 9334. Initial applicability; Public Instruction.

(1) CONSOLIDATION AID. The treatment of sections 121.07 (6) (e) 1. and (7) (e) 1. and 121.105 (3) of the statutes first applies to a school district that is eligible to receive additional aid as the result of sections 121.07 (6) (e) 1. and (7) (e) 1. and 121.105 (3) of the statutes on the effective date of this subsection.

(END)